



Claims numbered claim 1 (canceled) through claim 76 (canceled) are canceled (canceled).

77.(new) A method for valuing any type of financial security, respective three variables of a financial security, said variables comprising Cash receipts (C), Yield (Y) and Time (T), comprising steps of:

utilizing a universal pricing function, said pricing function comprising:

$P = f \{ C, Y, T \}$  where C, Y, and T are variables endogenous to the security

P = Market Price; de facto, empirical or expected market price

C = Cash Receipts; coupon, dividend, premium payments, principal/par

Y = Yield; a single term relating security's return, relative to P, C, T

T = Time; a fixed, expected or continuous measure of said security's life;

determining the values of said variables, respective said security's price, wherein further comprising step of:

determining the yield value for said security or for a basket of securities, said basket containing multiple securities, wherein a financial security is alternately standard referenced as an issue, utilizing the Formula, Yield M, or Yield Md, said Formulae comprising:

$$\text{Yield M} = \frac{\sum (\text{Maturity} \times \text{Portfolio Coefficient} \times \text{Yield-To-Maturity}), \text{ for all issues}}{\sum (\text{Maturity} \times \text{Portfolio Coefficient}), \text{ for all issues}}$$

$$\text{Yield Md} = \frac{\sum (\text{Duration} \times \text{Portfolio Coefficient} \times \text{Yield-To-Maturity}), \text{ for all issues}}{\sum (\text{Duration} \times \text{Portfolio Coefficient}), \text{ for all issues}}$$

where Yield M or Yield Md = Governing Yield = Y

Maturity = Time = Maturity in Years, Expected Life, Term of Policy

Portfolio Coefficient = Present Value, per issue/Present Value,  $\sum$  issues

Present Value = Cost to Presently Purchase

[for bonds: Accrued Interest + (best bid Price  $\times$  Face Value)]

YTM = Yield-To-Maturity, a means providing yield respective time,

where for Single Issue: Portfolio Coefficient is one, and Yield M = YTM

for Portfolio: said formula creating a single Yield M value of all issues;

solving said security's price using said values of said three variables, or solving for third variable utilizing said security's price and two of said three variables.

78.(new) The method of claim 77, which further comprises the step of coding said Formulae of Yield M or Yield Md, as:

$$\text{Yield M} = \text{YM} = \frac{(\text{sum}\{(\text{Maturity} * \text{Portfolio Coefficient} * \text{YTM})_1, (\text{M} * \text{PC} * \text{YTM})_2, \dots\})}{(\text{sum}\{(\text{Maturity} * \text{Portfolio Coefficient})_1, (\text{M} * \text{PC})_2, \dots\})};$$

$$\text{Yield Md} = \text{YMD} = \frac{(\text{sum}\{(\text{Duration} * \text{PC} * \text{YTM})_1, (\text{D} * \text{PC} * \text{YTM})_2, \dots\})}{(\text{sum}\{(\text{Duration} * \text{Portfolio Coefficient})_1, (\text{D} * \text{PC})_2, \dots\})}.$$

79.(new) A method for determining the mathematical valuation and sensitivity functions of a financial security, wherein determining said security's Yield-to-Maturity (YTM), Duration (K) and Convexity (V) values utilizing a precise mathematical derivation by calculus, utilizing said security's three variables of Cash receipts (C), Yield (Y) and Time (T):

determining Price respective Yield-to-Maturity, utilizing the Formula of:

Price respective Yield-to-Maturity:

$$\text{Price} = \frac{C}{Y} (1 - (1 + Y/2)^{-2T}) + (1 + Y/2)^{-2T}$$

where C = Coupon Y = YTM T = Maturity (in years),

determining Change in Price respective Change in Yield, Duration, the first mathematical derivative by calculus, utilizing the Formula of:

Duration, modified annualized, wherein semi-annual C payments:

$$K = \frac{-C}{Y^2} (1 - (1 + Y/2)^{-2T}) + \frac{C}{Y} (T + TY/2)^{-2T-1} - (T + TY/2)^{-2T-1}$$

where C=Coupon Y=YTM T=Maturity in Years  $\delta Y = \Delta \text{Yield M}$   $\delta P = \Delta \text{Price}$

Duration, modified annualized, wherein n annual C payments:

$$K \text{ generalized} = \frac{-C}{Y^2} (1 - (1 + Y/n)^{-nT}) + \frac{C}{Y} (T + TY/n)^{-nT-1} - (T + TY/n)^{-nT-1}$$

wherein n = # cash receipts per annum, wherein determining semi-annual form as:

$$K = \frac{-C}{Y^2} + \frac{C}{Y^2} (1 + Y/2)^{-2T} - (1 - C/Y)(T + TY/2)^{-2T-1} ;$$

determining Change respective the Change in Yield, Convexity, the second mathematical derivative by calculus, utilizing the Formula of:

$$\text{Convexity V} = \frac{2C}{Y^3} - \frac{\frac{2C}{Y^3}}{(1+Y/2)^{2T}} - \frac{\frac{CT}{Y^2}}{(1+Y/2)^{2T+1}} - \frac{\frac{C}{Y^2}}{(T+TY/2)^{2T+1}} + \frac{(1+C/Y)(T^2+T/2)}{(T+TY/2)^{2T+2}}$$

wherein calculating V where Y = YTM, Yield M, or, Yield M – YTM basis.

80. (new) The method of claim 79, which further comprises the step of coding said Formula of YTM, as algorithm:

semi-annual  $P = PR = \frac{((C/Y)*(1-(1+(Y/2))^{(-2*T)}))+(1+(Y/2))^{(-2*T)}}{(1+(Y/2))^{(-2*T)}}$   
 where C, Y and P are decimal values, T=Maturity in years,

generalized  $P = PRBOND = \frac{((C/Y)*(1-(1+(Y/N))^{(-N*T)}))+(1+(Y/N))^{(-N*T)}}{(1+(Y/N))^{(-N*T)}}$   
 where N=n= cash receipts per annum, wherein semi-annual=2.

81.(new)The method of claim 79, which further comprises the step of coding said Formula of Duration (K), as algorithm:

$$K \text{ semi-annual} = DPDY = \frac{((-C/(Y^2))*(1-((1+(.5*Y))^{(-2*T)}))) + ((C/Y)*((T+(.5*Y*T))^{(-2*T)} - 1)))}{-((T+(.5*Y*T))^{(-2*T)} - 1))}$$

where C and Y are decimal values, T=Maturity in years

$$K \text{ generalized} = BONK = \frac{((-C/(Y^2))*(1-((1+(Y/N))^{(-N*T)}))) + (((C/Y) - 1)*T*((1+(Y/N))^{(-N*T)} - 1)))}{-((1+(Y/N))^{(-N*T)} - 1))}$$

where C and Y are decimal values; N=n= #C periods per annum; T=Maturity in years

generalized, alternate formulation

$$K \text{ generalized} = BINK = \frac{(-C/(Y^2)) + ((C/(Y^2))*((1+(Y/N))^{(-N*T)}))}{-((1-(C/Y))*((T+((T*Y)/N))^{(-N*T)} - 1)))}$$

82.(new) The method of claim 79, which further comprises the step of coding said Formula of Convexity (V), as algorithm:

generalized

$$V = \text{BONV} = \frac{((2 \cdot C)/(Y^3)) \cdot (1 - (1 + (Y/N))^{(-N \cdot T)})}{-((C/Y^2) \cdot (2 \cdot T) \cdot ((1 + (Y/N))^{(-N \cdot T)} - 1)) - (((C/Y) - 1) \cdot ((N \cdot T) + 1) \cdot (T/N) \cdot ((1 + (Y/N))^{(-N \cdot T)} - 2))}$$

where C and Y are decimal values; N=n= #C periods per annum; T=Maturity in years

spread-based, semi-annual

$$V = \text{VEXA} = \frac{((2 \cdot C)/(Y^3)) - (((2 \cdot C)/(Y^3)) \cdot ((1 + (Y/2))^{(-2 \cdot T)}))}{-((C \cdot T)/(Y^2)) \cdot ((1 + (Y/2))^{(-2 \cdot T)} - 1) - ((C/(Y^2)) \cdot ((T + (T \cdot (Y/2)))^{(-2 \cdot T)} - 1))} + ((1 + (C/Y)) \cdot ((T^2) + (T/2)) \cdot ((T + (T \cdot (Y/2)))^{(-2 \cdot T)} - 2)))/10000$$

where Y=spread=YieldM-YTM, expressed in decimal, wherein if Y=0.14%=0.14

where Y=Yield M, expressed in decimal, wherein if Y= Yield M= 6.06%= 0.0606

spread-based, generalized

$$V = \text{VEX} = \frac{((2 \cdot C)/(Y^3)) - (((2 \cdot C)/(Y^3)) \cdot ((1 + (Y/N))^{(-N \cdot T)}))}{-((C \cdot T)/(Y^2)) \cdot ((1 + (Y/N))^{(-N \cdot T)} - 1) - ((C/(Y^2)) \cdot ((T + (T \cdot (Y/N)))^{(-N \cdot T)} - 1))} + ((1 + (C/Y)) \cdot ((T^2) + (T/N)) \cdot ((T + (T \cdot (Y/N)))^{(-N \cdot T)} - 2)))/10000$$

where Y = Yield M, expressed in decimal, wherein if Y = Yield M = 6.06% = 0.0606.

83. (new) A process for computing financial data using three variables of a financial security, said variables comprising Cash receipts (C), Yield (Y) and Time (T), wherein said financial security comprising a bond, equity or insurance policy, comprising:

identifying values for the security's said three variables, of C, Y, and T, wherein said variable C comprises cash receipts, and wherein said variable Y comprises yield, and wherein said variable T comprises time-to-maturity, expected life, or a fixed term;

determining governing yield, for a single security, wherein said security alternately standard referenced as an issue, wherein applying processing function Yield M or Yield Md, wherein utilizing a function of yield-to-maturity, said yield-to-maturity comprising:

function of yield-to-maturity:

$$\text{Price} = \frac{C}{2} \sum_{T=1}^{2T} (1 + Y/2)^{-T} + (1 + Y/2)^{-2T}$$

where C = Coupon    Y = YTM    T = Maturity (in years),

wherein as algorithm:

$$\text{Price} = P = (C/2) * (\text{sum}\{(((1+(Y/2))^{(-T)} + ((1+(Y/2))^{(-2*T)}))_1, \\ (((1 + (Y/2))^{(-T)} + ((1+(Y/2))^{(-2*T)}))_2, \dots\})$$

where semi-annual coupon payments (2 per annum);

$$\text{Price} = P = (C/N) * (\text{sum}\{(((1+(Y/N))^{(-T)} + ((1+(Y/N))^{(-N*T)}))_1, \\ (((1 + (Y/N))^{(-T)} + ((1+(Y/N))^{(-N*T)}))_2, \dots\})$$

where N-annual coupon payments (N per annum);

an alternate function of yield-to-maturity:

$$\text{Price} = \frac{C}{Y} (1 - (1 + Y/2)^{-2T}) + (1 + Y/2)^{-2T}$$

where C = Coupon    Y = YTM    T = Maturity (in years),

wherein as algorithm:

$$\text{semi-annual } P = \text{PR} = ((C/Y) * (1 - (1 + (Y/2))^{(-2*T)})) + (1 + (Y/2))^{(-2*T)}$$

where C, Y and P are decimal values, T=Maturity in years,

$$\text{generalized } P = \text{PRBOND} = ((C/Y) * (1 - (1 + (Y/N))^{(-N*T)})) + (1 + (Y/N))^{(-N*T)}$$

where N=n= cash receipts per annum;

function of governing yield, a singular universal form for securities:

$$\text{Yield M} = \frac{\sum (\text{Maturity} \times \text{Portfolio Coefficient} \times \text{Yield-To-Maturity}), \text{ for all issues}}{\sum (\text{Maturity} \times \text{Portfolio Coefficient}), \text{ for all issues}}$$

wherein Yield M as algorithm:

$$\text{Yield M} = \text{YM} = (\text{sum}\{(\text{Maturity} * \text{Portfolio Coefficient} * \text{YTM})_1, (\text{M} * \text{PC} * \text{YTM})_2, \dots\}) / \\ (\text{sum}\{(\text{Maturity} * \text{Portfolio Coefficient})_1, (\text{M} * \text{PC})_2, \dots\});$$

an alternate function of governing yield:

$$\text{Yield Md} = \frac{\sum (\text{Duration} \times \text{Portfolio Coefficient} \times \text{Yield-To-Maturity}), \text{ for all issues}}{\sum (\text{Duration} \times \text{Portfolio Coefficient}), \text{ for all issues}}$$

wherein Yield Md as algorithm:

$$\text{Yield Md} = \text{YMD} = \frac{(\text{sum}\{(\text{Duration} * \text{PC} * \text{YTM})_1, (\text{D} * \text{PC} * \text{YTM})_2, \dots\})}{(\text{sum}\{(\text{Duration} * \text{Portfolio Coefficient})_1, (\text{D} * \text{PC})_2, \dots\})}$$

where Yield M = Governing Yield = Y

Maturity = Time = Maturity in Years, Expected Life, Term of Policy

Portfolio Coefficient = Present Value, per issue / Present Value,  $\sum$  issues

Present Value = Cost to Presently Purchase

[for bonds: Accrued Interest + (best bid Price  $\times$  Face Value)]

YTM = Yield-To-Maturity, a means providing yield respective time,  
determining YTM by summation or non-summation form,

for Single Issue: Portfolio Coefficient is one, and Yield M = YTM

for Portfolio: said formula creating a single Yield M value of all issues;

determining arbitrage spreads between Yield M and spot, and Yield M and YTM,

wherein said arbitrage spread comprising the differential between Yield M and spot, or YTM;

determining values for the security's duration and convexity, as Taylor series first and

second order terms, or as first and second mathematical derivatives, respectively, wherein:

function of change in price respective change in yield, duration, as a Taylor

series first order term:

Duration, modified annualized:

$$\text{(Duration)} \quad \text{Durmodan} = \frac{\frac{C}{Y^2} \left[ 1 - \frac{1}{(1+Y)^{2T}} \right] + \frac{2T(100 - C/Y)}{(1+Y)^{2T+1}}}{2P} \quad \text{where } \begin{array}{l} D = \Delta P / \Delta YTM \\ Y = YTM \\ T = \text{Mat. in Years} \\ C = \text{Coupon} \\ P = \text{Price (par=100)}, \end{array}$$

wherein as algorithm:

$$\text{semi-annual } \text{Durmodan} = \text{DURMOD} = \frac{(((C/2)/((Y/2)^2)) * (1 - (1/((1+(Y/2))^{(2*T)})))) + ((2*T)*(100 - ((C/2)/(Y/2)))) / ((1+(Y/2))^{((2*T)+1)}))}{(2*P)}$$

where P = Price (of 100)

$$\text{generalized Durmodan=DURMD} = \frac{(((C/N)/((Y/N)^2)) * (1 - (1/((1+(Y/N))^{(N*T)})))) + (((N*T)*(100 - ((C/N)/(Y/N))))/((1+(Y/N))^{(N*T+1)}))}{(2*P)}$$

where N=n= # C periods per annum; semi-annual=2; T=Maturity in years;

function of change respective a change in yield, convexity, as a Taylor series

second order term:

$$\begin{aligned} \text{(Convexity)} & \frac{2C}{Y^3} \left[ 1 - \frac{1}{(1+Y)^{2T}} \right] + \frac{2C(2T)}{Y^2 (1+Y)^{2T+2}} + \frac{2T(2T+1)(100 - C/Y)}{(1+Y)^{2T+2}} \\ \text{Convex} & = \frac{\quad}{4P} \end{aligned}$$

wherein as algorithm:

$$\begin{aligned} \text{semi-annual Convex} = \text{CON} &= \frac{(((C/((Y/2)^3)) * (1 - (1/((1+(Y/2))^{(2*T)})))) - ((C*(2*T))/((Y/2)^2 * ((1+(Y/2))^{(2*T+1)})))) + (((2*T)*((2*T)+1)*(100 - (C/Y)))/((1+(Y/2))^{(2*T+2)}))}{(4*P)} \end{aligned}$$

$$\begin{aligned} \text{generalized Convex} = \text{CONDP} &= \frac{(((C/((Y/N)^3)) * (1 - (1/((1+(Y/N))^{(N*T)})))) - ((C*(N*T))/((Y/N)^2 * ((1+(Y/N))^{(N*T+1)})))) + (((N*T)*((N*T)+1)*(100 - (C/Y)))/((1+(Y/N))^{(N*T+2)}))}{(4*P)} \end{aligned}$$

where N=n= # C periods per annum; semi-annual=2; T=Maturity in years;

function of change in price respective a change in yield, duration, a first

mathematical derivative by calculus, utilizing said three variables C, Y, T only:

Duration, modified annualized, semi-annual C:

$$K = \frac{-C}{Y^2} (1 - (1 + Y/2)^{-2T}) + \frac{C}{Y} (T + TY/2)^{-2T-1} - (T + TY/2)^{-2T-1}$$

where C=Coupon Y=YTM T=Maturity in Years  $\delta Y = \Delta \text{Yield M}$   $\delta P = \Delta \text{Price}$

Duration, modified annualized, wherein n annual C payments:

$$K \text{ generalized} = \frac{-C}{Y^2} (1 - (1 + Y/n)^{-nT}) + \frac{C}{Y} (T + TY/n)^{-nT-1} - (T + TY/n)^{-nT-1}$$

where n = # cash receipts per annum, wherein semi-annual form is determined as:

$$K = \frac{-C}{Y^2} + \frac{C}{Y^2} (1 + Y/2)^{-2T} - (1 - C/Y)(T + TY/2)^{-2T-1}$$

wherein as algorithm:

$$K \text{ semi-annual} = \text{DPDY} = \frac{((-C/(Y^2)) * (1 - ((1 + (.5 * Y))^{(-2 * T))))}{+((C/Y) * ((T + (.5 * Y * T))^{(-2 * T)} - 1))) - ((T + (.5 * Y * T))^{(-2 * T)} - 1))}$$

where C and Y are decimal values, T=Maturity in years

$$K \text{ generalized} = \text{BONK} = \frac{((-C/(Y^2)) * (1 - ((1 + (Y/N))^{(-N * T))))}{+(((C/Y) - 1) * T * ((1 + (Y/N))^{(-N * T)} - 1)))}$$

where C and Y are decimal values; N=n= #C periods per annum; T=Maturity in years

generalized, alternate formulation

$$K \text{ generalized} = \text{BINK} = \frac{(-C/(Y^2)) + ((C/(Y^2)) * ((1 + (Y/N))^{(-N * T))))}{-((1 - (C/Y)) * ((T + ((T * Y)/N))^{(-N * T)} - 1)))};$$

alternate form

function of change respective a change in yield, convexity, a second mathematical derivative by calculus, utilizing said three variables C, Y, T only:

$$\text{Convexity} \quad V = \frac{2C}{Y^3} - \frac{\frac{2C}{Y^3}}{(1+Y/2)^{2T}} - \frac{\frac{CT}{Y^2}}{(1+Y/2)^{2T+1}} - \frac{\frac{C}{Y^2}}{(T+TY/2)^{2T+1}} + \frac{(1+C/Y)(T^2+T/2)}{(T+TY/2)^{2T+2}}$$

wherein V can be calculated where Y = YTM, Yield M, or, Yield M – YTM basis,

wherein as algorithm:

generalized

$$V = \text{BONV} = \frac{(((2 * C)/(Y^3)) * (1 - (1 + (Y/N))^{(-N * T))))}{-((C/Y^2) * (2 * T) * ((1 + (Y/N))^{(-N * T)} - 1))) - (((C/Y) - 1) * (((N * T) + 1) * (T/N) * ((1 + (Y/N))^{(-N * T)} - 2)))}$$

where C and Y are decimal values; N=n= #C periods per annum; T=Maturity in years

spread-based, semi-annual

$$V = \text{VEXA} = \frac{(((2 * C)/(Y^3)) - (((2 * C)/(Y^3)) * ((1 + (Y/2))^{(-2 * T))))}{-((C * T)/(Y^2)) * ((1 + (Y/2))^{(-2 * T)} - 1)) - ((C/(Y^2)) * ((T + (T * (Y/2)))^{(-2 * T)} - 1))) + ((1 + (C/Y)) * ((T^2) + (T/2)) * ((T + (T * (Y/2)))^{(-2 * T)} - 2))) / 10000}$$

where Y=spread=YieldM–YTM, expressed in decimal, wherein if Y=0.14%=0.14

where Y=Yield M, expressed in decimal, wherein if Y= Yield M= 6.06%= 0.0606

spread-based, generalized

$$V = \text{VEX} = \frac{(((2 * C)/(Y^3)) - (((2 * C)/(Y^3)) * ((1 + (Y/N))^{(-N * T))))}{-((C * T)/(Y^2)) * ((1 + (Y/N))^{(-N * T)} - 1)) - ((C/(Y^2)) * ((T + (T * (Y/N)))^{(-N * T)} - 1))) + ((1 + (C/Y)) * ((T^2) + (T/N)) * ((T + (T * (Y/N)))^{(-N * T)} - 2))) / 10000}$$

where Y = Yield M, expressed in decimal, wherein if Y = Yield M = 6.06% = 0.0606.



84. (new) A process for estimating change in price of a security, or of an aggregated portfolio, respective change in yield, instantaneous or as occurring over a discrete time, wherein said security alternately standard referenced as an issue, comprising:

utilizing values of said security's Yield M or Md, Duration K, and Convexity V, wherein:

$$\text{Yield M} = \frac{\sum (\text{Maturity} \times \text{Portfolio Coefficient} \times \text{Yield-To-Maturity}), \text{ for all issues}}{\sum (\text{Maturity} \times \text{Portfolio Coefficient}), \text{ for all issues}}$$

wherein Yield M as algorithm:

$$\text{Yield M} = \text{YM} = \frac{(\text{sum}\{(\text{Maturity} \times \text{Portfolio Coefficient} \times \text{YTM})_1, (\text{M} \times \text{PC} \times \text{YTM})_2, \dots\})}{(\text{sum}\{(\text{Maturity} \times \text{Portfolio Coefficient})_1, (\text{M} \times \text{PC})_2, \dots\})};$$

$$\text{Yield Md} = \frac{\sum (\text{Duration} \times \text{Portfolio Coefficient} \times \text{Yield-To-Maturity}), \text{ for all issues}}{\sum (\text{Duration} \times \text{Portfolio Coefficient}), \text{ for all issues}}$$

wherein Yield Md as algorithm:

$$\text{Yield Md} = \text{YMD} = \frac{(\text{sum}\{(\text{Duration} \times \text{PC} \times \text{YTM})_1, (\text{D} \times \text{PC} \times \text{YTM})_2, \dots\})}{(\text{sum}\{(\text{Duration} \times \text{Portfolio Coefficient})_1, (\text{D} \times \text{PC})_2, \dots\})}$$

where Yield M = Governing Yield = Y

Maturity = Time = Maturity in Years, Expected Life, Term of Policy

Portfolio Coefficient = Present Value, per issue / Present Value,  $\sum$  issues

Present Value = Cost to Presently Purchase

[for bonds: Accrued Interest + (best bid Price  $\times$  Face Value)]

YTM = Yield-To-Maturity, a means providing yield respective time, determining YTM by summation or non-summation form,

for Single Issue: its Portfolio Coefficient is one, its Yield M = its YTM

for Portfolio: said formula creating a single Yield M value of all issues;

Duration, modified annualized, semi-annual C:

$$K = \frac{-C}{Y^2} (1 - (1 + Y/2)^{-2T}) + \frac{C}{Y} (T + TY/2)^{-2T-1} - (T + TY/2)^{-2T-1}$$

where C=Coupon Y=YTM T=Maturity in Years  $\delta Y = \Delta \text{Yield M}$   $\delta P = \Delta \text{Price}$

Duration, modified annualized, wherein n annual C payments:

$$K \text{ generalized} = \frac{-C}{Y^2} (1 - (1 + Y/n)^{-nT}) + \frac{C}{Y} (T + TY/n)^{-nT-1} - (T + TY/n)^{-nT-1}$$

wherein n = # cash receipts per annum, whereas semi-annual form can also be written:

$$K = \frac{-C}{Y^2} + \frac{C}{Y^2} (1 + Y/2)^{-2T} - (1 - C/Y)(T + TY/2)^{-2T-1}$$

wherein as algorithm:

$$K \text{ semi-annual} = \text{DPDY} = ((-C/(Y^2))*(1-((1+(.5*Y))^{(-2*T)}))) + ((C/Y)*((T+(.5*Y*T))^{(-2*T)} - 1))) - ((T+(.5*Y*T))^{(-2*T)} - 1))$$

where C and Y are decimal values, T=Maturity in years

$$K \text{ generalized} = \text{BONK} = ((-C/(Y^2))*(1-((1+(Y/N))^{(-N*T)}))) + (((C/Y) - 1)*T*((1+(Y/N))^{(-N*T)} - 1)))$$

where C and Y are decimal values; N=n= #C periods per annum; T=Maturity in years

generalized, alternate formulation

$$K \text{ generalized} = \text{BINK} = (-C/(Y^2)) + ((C/(Y^2))*((1+(Y/N))^{(-N*T)})) - ((1-(C/Y))*((T+((T*Y)/N))^{(-N*T)} - 1)));$$

alternate form

$$\text{Convexity} \\ V = \frac{2C}{Y^3} - \frac{2C}{Y^3} \frac{1}{(1+Y/2)^{2T}} - \frac{CT}{Y^2} \frac{1}{(1+Y/2)^{2T+1}} - \frac{C}{Y^2} \frac{1}{(T+TY/2)^{2T+1}} + \frac{(1+C/Y)(T^2+T/2)}{(T+TY/2)^{2T+2}}$$

wherein V can be calculated where Y = YTM, Yield M, or, Yield M – YTM basis,

wherein as algorithm:

generalized

$$V = \text{BONV} = (((2*C)/(Y^3))*(1-(1+(Y/N))^{(-N*T)})) - ((C/Y^2)*(2*T)*((1+(Y/N))^{(-N*T)} - 1))) - (((C/Y) - 1)*((N*T)+1)*(T/N))*((1+(Y/N))^{(-N*T)} - 2)))$$

where C and Y are decimal values; N=n= #C periods per annum; T=Maturity in years

spread-based, semi-annual

$$V = \text{VEXA} = (((2*C)/(Y^3)) - (((2*C)/(Y^3))*((1+(Y/2))^{(-2*T)})) - ((C*T)/(Y^2))*((1+(Y/2))^{(-2*T)} - 1)) - ((C/(Y^2))*((T+(T*(Y/2)))^{(-2*T)} - 1))) + (((1+(C/Y))*((T^2)+(T/2))*((T+(T*(Y/2)))^{(-2*T)} - 2))))/10000$$

where Y=spread=YieldM–YTM, expressed in decimal, wherein if Y=0.14%=0.14

where Y=Yield M, expressed in decimal, wherein if Y= Yield M= 6.06%= 0.0606

spread-based, generalized

$$V = VEX = \frac{(((2 \cdot C)/(Y^3)) - (((2 \cdot C)/(Y^3)) \cdot ((1 + (Y/N))^{(-N \cdot T)}))) - ((C \cdot T)/(Y^2)) \cdot ((1 + (Y/N))^{(-N \cdot T) - 1}) - ((C/(Y^2)) \cdot ((T + (T \cdot (Y/N)))^{(-N \cdot T) - 1})) + ((1 + (C/Y)) \cdot ((T^2) + (T/N)) \cdot ((T + (T \cdot (Y/N)))^{(-N \cdot T) - 2})))}{10000}$$

where Y = Yield M, expressed in decimal, wherein if Y = Yield M = 6.06% = 0.0606;

identifying change in said Yield M data value at instant or as occurring over time, wherein measuring, entering or updating input values of variables determining Yield M value;

calculating the change in price of the security given said change in said Yield M by implementing factorization, wherein utilizing K for duration,  $\Delta$  Price, due to Duration (K):

$$A: \quad \Delta \text{ Price, due to Duration (K)} = K \times \Delta Y;$$

calculating the change in price of the security given said change in said Yield M by implementing factorization, wherein utilizing V for convexity,  $\Delta$  Price, due to Convexity (V):

$$B: \quad \Delta \text{ Price, due to Convexity (V)} = \frac{1}{2} \times V \times (\Delta Y)^2;$$

summing the values determined by A+B, wherein comprising  $\Delta$  Price, due to K and V:

$$\Delta \text{ Price} = (K \times \Delta Y) + (\frac{1}{2} \times V \times (\Delta Y)^2);$$

determining arbitrage spread of computed  $\Delta$  Price versus actual notched  $\Delta$  Price, wherein calculating the differential between said computed and said actual notched  $\Delta$  Price;

sending said determined and calculated Yield M or MD, K and V values, and said computed and actual  $\Delta$  Price, and arbitrage spread to output, monitor, storage or further process.

85. (new) The process of claim 84, which further comprises applying an universal factorization:

$$\Delta \text{ Price} = (- | \text{Duration} | \times \delta Y) + (\frac{1}{2} \times \text{Convexity} \times (\delta Y)^2);$$

wherein  $\delta Y \cong \Delta Y$ , and wherein  $\Delta Y = \Delta \text{Yield M}$  or  $\Delta \text{Yield-to-Maturity}$ ,

wherein  $\Delta \text{Yield-to-Maturity} = \text{YTM}$  as non-summation, or as summation, form:

function of yield-to-maturity, non-summation form of discounted cash receipts:

$$\text{Price} = \frac{C}{Y} (1 - (1 + Y/2)^{-2T}) + (1 + Y/2)^{-2T}$$

where C = Coupon    Y = YTM    T = Maturity (in years),

wherein as algorithm:

semi-annual     $P = \text{PR} = \frac{((C/Y)*(1-(1+(Y/2))^{(-2*T))})+(1+(Y/2))^{(-2*T)}}{2}$

where C, Y and P are decimal values, T=Maturity in years,

generalized     $P = \text{PRBOND} = \frac{((C/Y)*(1-(1+(Y/N))^{(-N*T))})+(1+(Y/N))^{(-N*T)}}{N}$

where N=n= cash receipts per annum, wherein semi-annual=2;

function of yield-to-maturity, a summation form of discounted cash receipts:

$$\text{Price} = \frac{C}{2} \sum_{T=1}^{2T} (1 + Y/2)^{-T} + (1 + Y/2)^{-2T}$$

where C = Coupon    Y = YTM    T = Maturity (in years),

wherein as algorithm:

$$\text{Price} = P = (C/2) * (\text{sum}\{(((1+(Y/2))^{(-T))})+(((1+(Y/2))^{(-2*T)}))\}_1, ((1+(Y/2))^{(-T))}+(((1+(Y/2))^{(-2*T)}))\}_2, \dots\})$$

where semi-annual coupon payments (2 per annum);

$$\text{Price} = P = (C/N) * (\text{sum}\{(((1+(Y/N))^{(-T))})+(((1+(Y/N))^{(-N*T)}))\}_1, ((1+(Y/N))^{(-T))}+(((1+(Y/N))^{(-N*T)}))\}_2, \dots\})$$

where N-annual coupon payments (N per annum);

and wherein Duration = K, or as = first order Taylor series approximation of first

derivative of YTM, wherein said first order approximation comprising:

$$\text{(Duration) Durmodan} = \frac{\frac{C}{Y^2} \left[ 1 - \frac{1}{(1 + Y)^{2T}} \right] + \frac{2T(100 - C/Y)}{(1 + Y)^{2T+1}}}{2P}$$

where D = ΔP/ΔYTM  
Y = YTM  
T = Mat. in Years  
C = Coupon  
P=Price (par=100),

wherein as algorithm:

semi-annual     $\text{Durmodan} = \text{DURMOD} = \frac{(((C/2)/((Y/2)^2))*(1-(1/((1+(Y/2))^{(2*T)}))))+((2*T)*(100-((C/2)/(Y/2)))/((1+(Y/2))^{(2*T+1)}))}{(2*P)}$

where P = Price (of 100)

generalized Durmodan=DURMD= (((C/N)/((Y/N)^2))\*(1-(1/((1+(Y/N))^(N\*T))))  
+(((N\*T)\*(100-((C/N)/(Y/N))))/((1+(Y/N))^(N\*T+1))))/(2\*P)

where N=n= # C periods per annum, where semi-annual=2; T=Maturity in years;

and wherein Convexity = V, or as = second order Taylor series term, comprising  
second derivative approximation of YTM, wherein said second order term:

$$\text{(Convexity) Convex} = \frac{\frac{2C}{Y^3} \left[ 1 - \frac{1}{(1+Y)^{2T}} \right] + \frac{2C(2T)}{Y^2 (1+Y)^{2T+2}} + \frac{2T(2T+1)(100 - C/Y)}{(1+Y)^{2T+2}}}{4P}$$

wherein as algorithm:

semi-annual Convex = CON = (((C/((Y/2)^3))\*(1-(1/((1+(Y/2))^(2\*T))))  
-((C\*(2\*T))/((Y/2)^2\*((1+(Y/2))^(2\*T+1))))  
+(((2\*T)\*((2\*T)+1)\*(100-(C/Y)))/((1+(Y/2))^(2\*T+2))))/(4\*P)

generalized Convex = CONDP = (((C/((Y/N)^3))\*(1-(1/((1+(Y/N))^(N\*T))))  
-((C\*(N\*T))/((Y/N)^2\*((1+(Y/N))^(N\*T+1))))  
+(((N\*T)\*((N\*T)+1)\*(100-(C/Y)))/((1+(Y/N))^(N\*T+2))))/(4\*P)

where N=n= # C periods per annum, where semi-annual=2; T=Maturity in years.

86. (new) The process of claim 84, which further comprises adding a derivative respecting time,  
and further comprises adding any accrued interest, wherein using dirty (full) price in A and B:

$$\Delta P = A + B + C + D$$

wherein,

$\Delta P$  = change in bid price, for given changes in yield and time,

$$A = -\text{abs}(\text{Duration}) \times \text{Price}(\text{dirty}) \times \Delta Y$$

$$B = \frac{1}{2} \times \text{Convexity} \times \text{Price}(\text{dirty}) \times (\Delta Y)^2$$

$$C = \text{Theta} \times \text{Price}(\text{dirty}) \times \Delta t$$

$$D = -(\Delta \text{ Accrued Interest, for given } \Delta t),$$

and wherein,

Y (YTM), by Formula Yield M, or Yield Md, or

Duration by Formula K, or by first term Taylor series approximation,

Convexity by Formula V, or by second term Taylor series approximation,

Theta ( $\theta$ ), such a theta:  $\theta = 2 \ln(1+r/2)$ , wherein  $r = \text{ytm or Yield M}$ ,

Price (dirty) equals bid price plus accumulated interest,

$\Delta t$  is elapsed time between two points whereby estimations are made,

$\Delta P$  rounded to nearest pricing gradient,  $\Delta P$  occurring  $\Delta t$ , determining  
arbitrage spread of computed  $\Delta$  Price versus actual notched  $\Delta$  Price.

87. (new) A process for valuing a financial portfolio, containing more than one divisible security, wherein said security alternately standard referenced as an issue, by singular portfolio (P) data values of three variables  $C^P$ ,  $Y^P$ ,  $T^P$ , comprising:

identifying data values for each issue's three variables of C, Y, T, wherein:

C = Cash Receipts, periodic coupon, dividend or premium payments

Y = Yield, a single term relating security's return, relative to P, C, T

T = Time = Maturity in Years, Expected Life, Term of Policy;

generating portfolio coefficients for each issue in portfolio, by:

Portfolio Coefficient, per each Issue =  $\text{Present Value}^I / \text{Present Value}^P$ ;

$\text{Present Value}^I = (\text{AI} + (\text{Bid Price} \times \text{Face Value}))$ , per Issue (I);

$\text{Present Value}^P = \sum (\text{AI} + (\text{Bid Price} \times \text{Face Value}))$ , for all Issues;

generating aggregate portfolio (P) data relating portfolio's value, by:

$\text{Present Value}^P = \sum (\text{AI} + (\text{Bid Price} \times \text{Face Value}))$ , for all Issues;

$\text{Accrued Interest}^P = \sum \text{Accrued Interest, AI, for all Issues;}$

$$\text{Face Value}^P = \sum \text{Face Value, for all Issues};$$

$$\text{Implied Price}^P = (\text{Present Value}^P - \text{AI}^P) / \sum \text{Face Value for all Issues};$$

generating aggregate portfolio (P) data relating portfolio's variables:

$$C^P = \text{Cash Flow}^P = \sum C \times \text{Portfolio Coefficient, for all Issues};$$

$$T^P = \text{Time}^P = \sum \text{Maturity} \times \text{Portfolio Coefficient, for all Issues};$$

$$Y^P = \text{Yield}^P = \sum \text{Yield} \times \text{Portfolio Coefficient, for all Issues};$$

if for a portfolio of U. S. Treasury issues,  $C^P$ ,  $Y^P$ ,  $T^P$  comprising:

$$C^P = \text{Coupon}^P = \sum \text{Coupon} \times \text{Portfolio Coefficient, for all Issues};$$

$$T^P = \text{Maturity}^P = \sum \text{Maturity} \times \text{Portfolio Coefficient, for all Issues};$$

$$Y^P = \text{Yield}^P = \sum \text{Yield} \times \text{Portfolio Coefficient, for all Issues};$$

computing portfolio's duration and convexity:

$$\text{Duration}^P = \sum \text{Duration} \times \text{Portfolio Coefficient, for all Issues};$$

$$\text{Convexity}^P = \sum \text{Convexity} \times \text{Portfolio Coefficient, for all Issues}.$$

or utilizing portfolio values,  $C^P$ ,  $Y^P$ ,  $T^P$ , computing Duration and Convexity.

88. (new) The process of claim 87, which further comprises establishing a governing yield value for the portfolio, wherein said value also representing a yield value relative a spot or a forward yield curve, said value calculating by the Formula, Yield M, or the Formula, Yield Md, wherein said portfolio containing multiple securities, alternately standard referenced as issues:

$$\text{Yield M} = \frac{\sum (\text{Maturity} \times \text{Portfolio Coefficient} \times \text{Yield-To-Maturity}), \text{ for all issues}}{\sum (\text{Maturity} \times \text{Portfolio Coefficient}), \text{ for all issues}}$$

wherein Yield M as algorithm:

$$\text{Yield M} = \text{YM} = (\text{sum}\{(\text{Maturity} * \text{Portfolio Coefficient} * \text{YTM})_1, (\text{M} * \text{PC} * \text{YTM})_2, \dots\}) / (\text{sum}\{(\text{Maturity} * \text{Portfolio Coefficient})_1, (\text{M} * \text{PC})_2, \dots\});$$

$$\text{Yield Md} = \frac{\sum (\text{Duration} \times \text{Portfolio Coefficient} \times \text{Yield-To-Maturity}), \text{ for all issues}}{\sum (\text{Duration} \times \text{Portfolio Coefficient}), \text{ for all issues}}$$

wherein Yield Md as algorithm:

$$\text{Yield Md} = \text{YMD} = \frac{(\text{sum}\{(\text{Duration} * \text{PC} * \text{YTM})_1, (\text{D} * \text{PC} * \text{YTM})_2, \dots\})}{(\text{sum}\{(\text{Duration} * \text{Portfolio Coefficient})_1, (\text{D} * \text{PC})_2, \dots\})}$$

where Yield M = Governing Yield = Y

Maturity = Time = Maturity in Years, Expected Life, Term of Policy

Portfolio Coefficient = Present Value, per issue/Present Value,  $\sum$  issues

Present Value = Cost to Presently Purchase

[for bonds: Accrued Interest + (best bid Price  $\times$  Face Value)]

YTM = Yield-To-Maturity, a means providing yield respective time.

89. (new) An apparatus, generating and computing financial data, an analytic valuation engine, comprising:

means to input values from a data-feed, stored memory or by hand-entry, for a security, or for securities in a portfolio, wherein said security alternately standard referenced as an issue, with respect to endogenous variables C, Y and T, wherein C comprising interest coupons, dividend payments or insurance premiums, and wherein Y comprising a single term relating said security's return respective price, C and T, and wherein T comprising maturity in years, expected life, or term of a policy;

means for calculating a governing yield, the Yield M, for the security or for portfolio, wherein applying algorithm calculating Yield M, said Yield M comprising:

function of governing yield, a singular universal form for securities

$$\text{Yield M} = \frac{\sum (\text{Maturity} \times \text{Portfolio Coefficient} \times \text{Yield-To-Maturity}), \text{ for all issues}}{\sum (\text{Maturity} \times \text{Portfolio Coefficient}), \text{ for all issues}}$$

wherein Yield M as algorithm:



$$\text{Yield M} = \text{YM} = (\text{sum}\{(\text{Maturity} * \text{Portfolio Coefficient} * \text{YTM})_1, (\text{M} * \text{PC} * \text{YTM})_2, \dots\}) /$$

$$(\text{sum}\{(\text{Maturity} * \text{Portfolio Coefficient})_1, (\text{M} * \text{PC})_2, \dots\});$$

means for sending said calculated value to user monitor, storage or to a display screen;

means for computing said security's market yield-to-maturity values using algorithms:

function of yield-to-maturity:

$$\text{Price} = \frac{C}{2} \sum_{T=1}^{2T} (1 + Y/2)^{-T} + (1 + Y/2)^{-2T}$$

where C = Coupon    Y = YTM    T = Maturity (in years),  
wherein as algorithm:

$$\text{Price} = P = (C/2) * (\text{sum}\{(((1 + (Y/2))^{(-T)}) + ((1 + (Y/2))^{(-2*T)}))_1, \\ (((1 + (Y/2))^{(-T)}) + ((1 + (Y/2))^{(-2*T)}))_2, \dots\})$$

where semi-annual coupon payments (2 per annum);

$$\text{Price} = P = (C/N) * (\text{sum}\{(((1 + (Y/N))^{(-T)}) + ((1 + (Y/N))^{(-N*T)}))_1, \\ (((1 + (Y/N))^{(-T)}) + ((1 + (Y/N))^{(-N*T)}))_2, \dots\})$$

where N-annual coupon payments (N per annum); or

alternate function of yield-to-maturity:

$$\text{Price} = \frac{C}{Y} (1 - (1 + Y/2)^{-2T}) + (1 + Y/2)^{-2T}$$

where C = Coupon    Y = YTM    T = Maturity (in years),

wherein as algorithm:

$$\text{semi-annual } P = \text{PR} = ((C/Y) * (1 - (1 + (Y/2))^{(-2*T)}) + (1 + (Y/2))^{(-2*T)})$$

where C, Y and P are decimal values, T=Maturity in years,

$$\text{generalized } P = \text{PRBOND} = ((C/Y) * (1 - (1 + (Y/N))^{(-N*T)}) + (1 + (Y/N))^{(-N*T)})$$

where N=n= cash receipts per annum, e.g. semi-annual=2;

means for sending governing yield value and the market yield-to-maturity values to processing, wherein computing duration, convexity and theta of said security, wherein comprising utilizing applicable computational algorithms:

function of duration, modified annualized, semi-annual C:

$$K = \frac{-C}{Y^2} (1 - (1 + Y/2)^{-2T}) + \frac{C}{Y} (T + TY/2)^{-2T-1} - (T + TY/2)^{-2T-1}$$

where C=Coupon Y=YTM T=Maturity in Years  $\delta Y = \Delta \text{Yield M}$   $\delta P = \Delta \text{Price}$

function of duration, modified annualized, wherein n annual C payments:

$$K \text{ generalized} = \frac{-C}{Y^2} (1 - (1 + Y/n)^{-nT}) + \frac{C}{Y} (T + TY/n)^{-nT-1} - (T + TY/n)^{-nT-1}$$

wherein n = # cash receipts per annum, whereas semi-annual form can also be written:

$$K = \frac{-C}{Y^2} + \frac{C}{Y^2} (1 + Y/2)^{-2T} - (1 - C/Y)(T + TY/2)^{-2T-1}$$

wherein as algorithm:

$$K \text{ semi-annual} = \text{DPDY} = ((-C/(Y^2)) * (1 - ((1 + (.5 * Y))^{(-2 * T)}))) + ((C/Y) * ((T + (.5 * Y * T))^{((-2 * T) - 1)})) - ((T + (.5 * Y * T))^{((-2 * T) - 1)})$$

where C and Y are decimal values, T=Maturity in years

$$K \text{ generalized} = \text{BONK} = ((-C/(Y^2)) * (1 - ((1 + (Y/N))^{(-N * T)}))) + (((C/Y) - 1) * T * ((1 + (Y/N))^{((-N * T) - 1)}))$$

where C and Y are decimal values; N=n = #C periods per annum; T=Maturity in years

generalized, alternate formulation:

$$K \text{ generalized} = \text{BINK} = (-C/(Y^2)) + ((C/(Y^2)) * ((1 + (Y/N))^{(-N * T)})) - ((1 - (C/Y)) * ((T + ((T * Y)/N))^{((-N * T) - 1)}));$$

alternate form

function of convexity, semi-annual C:

$$\text{Convexity V} = \frac{2C}{Y^3} - \frac{\frac{2C}{Y^3}}{(1 + Y/2)^{2T}} - \frac{\frac{CT}{Y^2}}{(1 + Y/2)^{2T+1}} - \frac{\frac{C}{Y^2}}{(T + TY/2)^{2T+1}} + \frac{(1 + C/Y)(T^2 + T/2)}{(T + TY/2)^{2T+2}}$$

wherein V can be calculated where Y = YTM, Yield M, or, Yield M – YTM basis,

wherein as algorithm:

generalized

$$V = \text{BONV} = (((2 * C)/(Y^3)) * (1 - ((1 + (Y/N))^{(-N * T)}))) - ((C/Y^2) * (2 * T) * ((1 + (Y/N))^{((-N * T) - 1)})) - (((C/Y) - 1) * ((N * T) + 1) * (T/N) * ((1 + (Y/N))^{((-N * T) - 2)}))$$

where C and Y are decimal values; N=n = #C periods per annum; T=Maturity in years

spread-based, semi-annual

$$V = VEXA = \frac{((2C)/(Y^3)) - (((2C)/(Y^3)) * ((1+(Y/2))^{(-2*T)})) - ((C*T)/(Y^2)) * ((1+(Y/2))^{(-2*T)} - 1) - ((C/(Y^2)) * ((T+(T*(Y/2)))^{(-2*T)} - 1)) + ((1+(C/Y)) * ((T^2)+(T/2)) * ((T+(T*(Y/2)))^{(-2*T)} - 2))}{10000}$$

where Y=spread=YieldM-YTM, expressed in decimal, wherein if Y=0.14%=0.14

where Y=Yield M, expressed in decimal, wherein if Y= Yield M= 6.06%= 0.0606

spread-based, generalized

$$V = VEX = \frac{((2C)/(Y^3)) - (((2C)/(Y^3)) * ((1+(Y/N))^{(-N*T)})) - ((C*T)/(Y^2)) * ((1+(Y/N))^{(-N*T)} - 1) - ((C/(Y^2)) * ((T+(T*(Y/N)))^{(-N*T)} - 1)) + ((1+(C/Y)) * ((T^2)+(T/N)) * ((T+(T*(Y/N)))^{(-N*T)} - 2))}{10000}$$

where Y = Yield M, expressed in decimal, wherein if Y = Yield M = 6.06% = 0.0606;

wherein further comprising utilizing alternate formula:

function of duration, modified annualized, semi-annual C:

$$\text{(Duration)} \quad \frac{\frac{C}{Y^2} \left[ 1 - \frac{1}{(1+Y)^{2T}} \right] + \frac{2T(100 - C/Y)}{(1+Y)^{2T+1}}}{2P} \quad \text{where } \begin{array}{l} D = \Delta P / \Delta YTM \\ Y = YTM \\ T = \text{Mat. in Years} \\ C = \text{Coupon} \\ P = \text{Price (par=100)}, \end{array}$$

wherein as algorithm:

$$\text{semi-annual} \quad \text{Durmodan} = \text{DURMOD} = \frac{(((C/2)/((Y/2)^2)) * (1 - (1/((1+(Y/2))^{(2*T)})))) + ((2*T) * (100 - ((C/2)/(Y/2)))) / ((1+(Y/2))^{(2*T+1)})}{(2*P)}$$

where P = Price (of 100)

$$\text{generalized} \quad \text{Durmodan} = \text{DURMD} = \frac{(((C/N)/((Y/N)^2)) * (1 - (1/((1+(Y/N))^{(N*T)})))) + ((N*T) * (100 - ((C/N)/(Y/N)))) / ((1+(Y/N))^{(N*T+1)})}{(2*P)}$$

where N=n= # C periods per annum; semi-annual=2; T=Maturity in years;

function of convexity, semi-annual C:

$$\text{(Convexity)} \quad \frac{\frac{2C}{Y^3} \left[ 1 - \frac{1}{(1+Y)^{2T}} \right] + \frac{2C(2T)}{Y^2 (1+Y)^{2T+2}} + \frac{2T(2T+1)(100 - C/Y)}{(1+Y)^{2T+2}}}{4P}$$

wherein as algorithm:

semi-annual Convex = CON =  $\frac{((C/((Y/2)^3)) * (1 - (1/((1+(Y/2))^{(2*T)})))) - ((C*(2*T))/((Y/2)^2 * ((1+(Y/2))^{(2*T)+1}))) + (((2*T)*((2*T)+1)*(100-(C/Y)))/((1+(Y/2))^{(2*T)+2})))}{(4*P)}$

generalized Convex = CONDP =  $\frac{((C/((Y/N)^3)) * (1 - (1/((1+(Y/N))^{(N*T)})))) - ((C*(N*T))/((Y/N)^2 * ((1+(Y/N))^{(N*T)+1}))) + (((N*T)*((N*T)+1)*(100-(C/Y)))/((1+(Y/N))^{(N*T)+2})))}{(4*P)}$

where N=n= # C periods per annum; semi-annual=2; T=Maturity in years;

function of theta, utilizing algorithm applicable if YTM or if Yield M:

generalized Theta ( $\theta$ ), wherein theta:  $\theta = 2 \ln(1+r/2)$ , wherein r = YTM or Yield M;

means for sending said yield, and derivatives, data set to data storage or display output;

means for computing factorization for change in price over time, comprising algorithm:

$$\Delta P = A + B + C + D$$

wherein,

$\Delta P$  = change in bid price, for given changes in yield and time,

A =  $-\text{abs}(\text{Duration}) \times \text{Price}(\text{dirty}) \times \Delta Y$

B =  $\frac{1}{2} \times \text{Convexity} \times \text{Price}(\text{dirty}) \times (\Delta Y)^2$

C =  $\text{Theta} \times \text{Price}(\text{dirty}) \times \Delta t$

D =  $-(\Delta \text{Accrued Interest, for given } \Delta t)$ ,

and wherein,

Y (YTM), by Formula Yield M, or Yield Md, or

YTM by non-summation or by summation form function,

Duration by Formula K, or by first term Taylor series approximation,

Convexity by Formula V, or by second term Taylor series approximation,

Theta ( $\theta$ ), wherein theta:  $\theta = 2 \ln(1+r/2)$ , wherein r = YTM,

Price (dirty) equals bid price plus accumulated interest,

$\Delta t$  is elapsed time between two points whereby estimations are made,

$\Delta P$  rounded to nearest pricing gradient,  $\Delta P$  occurring  $\Delta t$ ;

means for sending said computed factorization values to data storage or display output;

means for sending said governing yield values to data storage or display output;

means for sending said duration and convexity values to data storage or display output.